

## New Mexico Laws and Incentives for Tax Incentives

The list below contains summaries of all New Mexico laws and incentives related to Tax Incentives.

### State Incentives

#### Biodiesel Blending Facility Tax Credit

A tax credit is available for up to 30% of the cost of purchasing or installing equipment used to produce biodiesel blends containing at least 2% biodiesel (B2). The tax credit is limited to \$50,000 per facility and is claimed against gross receipts tax or compensating tax. Individuals or organizations must apply for and obtain a certificate of eligibility from the New Mexico Energy, Minerals, and Natural Resources Department before claiming the credit. For more eligibility and application details, refer to the [Biodiesel Blending Facility Tax Credit Claim Form](#) . (Reference [New Mexico Statutes](#) 7-9-79.2)

#### Biofuels Production Tax Deduction

The cost of purchasing qualified biomass feedstocks to be processed into biofuels, as well as the associated equipment, may be deducted in computing the compensating tax due under the New Mexico Gross Receipts and Compensating Tax Act. For the purpose of this incentive, biofuels include ethanol, methanol, methane, and hydrogen. (Reference [New Mexico Statutes](#) 7-9-98)

#### Alternative Fuel and Advanced Vehicle System Manufacturing Incentive

The Alternative Energy Product Manufacturers Tax Credit is a credit against combined reporting taxes (gross receipts, compensating, and withholding) for qualified manufacturers of alternative energy products, which includes hydrogen and fuel cell vehicle systems, and electric and hybrid electric vehicles. The credit is limited to 5% of qualifying expenditures, and manufacturers must fulfill job creation requirements to be eligible. Qualified manufacturers must apply for and receive approval from the New Mexico Taxation and Revenue Department before they may claim the credit. For more eligibility and application details, refer to the [Alternative Energy Product Manufacturers Tax Credit Claim Form](#) . (Reference [New Mexico Statutes](#) 7-9J)

#### Alternative Fuel Tax Exemption

Alternative fuel distributed by or used for U.S. government; state government; or Indian nation, tribe, or pueblo purposes; is exempt from the state excise tax. (Reference [New Mexico Statutes](#) 7-16B-5)

#### Biodiesel Tax Deduction

Entities and individuals that receive biodiesel consisting of 99% vegetable oil or animal fat are eligible for a tax deduction for the fuel, provided that it is used in a federally-certified fueling system. (Reference [New Mexico Statutes](#) 7-16A-10)

The AFDC is a resource of the U.S. Department of Energy's Clean Cities program.